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TRADE AND DEVELOPMENT BOARD

GENERALIZED SYSTEM OF PREFERENCES

Scheme of Australia

Amendment

In a communication dated 12 August 1993, the Permanent Mission of Australia has notified the following changes to the Australian System of Tariff Preferences (ASTP) for developing countries. The changes taking effect in the short term were gazetted on 9 June 1993.[1]

"The Australian Government has decided to modify the ASTP by gradually removing preference margins on certain items where General Tariff rates are being phased down under Australia's wide-ranging tariff reform programme.

"The goods covered by the Australian Government's decision are: textiles, clothing and footwear; chemicals; sugar; vegetable and fruit preparations (including fruit juice) and tuna; and dried fruit.

"For all ASTP beneficiaries - except the UN designated Least Developed Countries and South Pacific Island Territories - the DC (developing country) preference rate for each item affected will remain at the current level until the General Tariff rate reaches or is reduced below that level, at which time the General Tariff rate will apply.

"These changes came into effect as of the last reduction in General Tariff rates on 1 July 1993. For textiles, clothing and footwear goods, the changes will not come into effect until 1 July 1994.

"In addition the tariff rates from 1 July 1995 for textile yarns currently eligible for bounty will be set at 5 per cent for both General and DC purposes."

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[1] See annex.

Annex

AUSTRALIAN CUSTOMS SERVICE

Australian Customs Notice No. 93/95

PHASING OUT OF THE DEVELOPING COUNTRY

TARIFF MARGIN

Since 1 July 1986, the Australian System of Tariff Preferences (ASTP) for Developing Countries has provided a 5% margin of preference for goods from beneficiary countries and places listed in Schedule 1 to the *Customs Tariff Act 1987*. On 12 March 1991 the Government announced that the margin of preference for goods from Hong Kong, the Republic of Korea, Singapore and Taiwan Province would begin to phase out from 1 July 1992. On 20 February 1993, the Prime Minister announced in a pre-election statement a selected phased removal of the Developing Country (DC) preference margins.

Customs Tariff Notice No. 4 (1993) which was published in Commonwealth Notices Gazette GN 22 of 9 June 1993 inserts new section 19(1E) to the *Customs Tariff Act 1987* to phase out the margin of preference from all but the Forum Island Countries and 49 of the least Developed Countries and Places. The list of countries which have been exempted from the phase out of the margin are listed in Attachment "A" to this ACN. The countries and places which will be subjected to the phase out of the preference margin are listed in Attachment "B". Commodities covered by this decision are broadly dried fruit, fruit juice, sugar, canned food, chemicals, textiles, clothing and footwear.

The phase out of the margin of preference for the specified countries and commodities will be achieved by fixing the Developing Country rate of duty at its pre-1 July 1993 level until the general rate of duty is reduced to that level. After that time the general rate of duty will apply. There will be no increase in duty rates. However, the expected reductions in the Developing Country rate of duty from 1 July 1993 will not occur for those goods mentioned above. In the case of textiles, clothing and footwear the initial impact of this decision will not be until 1 July 1994.

TARIFF WORKING PAGES

The new rates will be shown in the Tariff with the prefix "DCS" and those countries to which the new rates will apply are prefixed with a "■" in Schedule 1. Examples of the way the new rates will be shown in the Tariff are:

0806.20.00		12% DC:7% DCS:10%	2902.50.00		9% DC:4% DCS:5%
	◊	10%		◊	5%
From 1 July 1994	♦	10% DC:5% DCS:10%	From 1 July 1994		8% DC:3% DCS:5%
From 1 July 1995	♦	8% DC:3% DCS:8%		◊	5%
			From 1 July 1995		7% DC:2% DCS:5%
From 1 July 1996	♦	5% DCS:5%		◊	5%
			From 1 July 1996	♦	5% DCS:5%

ITEM 53 IN SCHEDULE 4

This decision has impacted on some classifications which have been frozen at a general rate of 15% (see also ACN 93/88) following the Government's decision on replacement components for passenger motor vehicles (PMV). To allow access to phasing rates for non-PMV goods, and at the same time phasing out the access to the DC margin of preference, item 53 in Schedule 4 has been split into items 53A and 53B.

Any queries as to the eligibility of goods to be entered under these items should be addressed to:

Assistant Director
Plan Administration
Australian Customs Service
Melbourne VIC 3000
Telephone (03) 244 8332.

COMPILE USAGE

Procedures for the creation of entries on COMPILE will be amended from 1 July 1993 to accommodate the DCS changes.

Currently importers and brokers use the preference indicator 'A' to claim DC preference. This preference indicator will continue to apply to those countries which will still receive the full DC margin of preference - those countries listed in Attachment "A". A new preference indicator 'T' will be created for those countries which are listed in Attachment "B" and for which the margin of preference is being phased out. If an incorrect preference indicator is used an error message will result.

In both cases, if the goods concerned do not qualify for preference, ie. do not meet the origin criteria, the preference indicator 'X' should be used and the general rate of duty will be applied. For the purposes of COMPILE, where a DCS rate is not specified in the tariff working pages, it will be set at the same rate as the DC rate.

GENERAL INFORMATION

It is planned to despatch the tariff reprint pages for this change on 23 June 1993. As the Government's decision was not received until late May and the range of goods covered by this change is quite extensive, there is a possibility that all tariff reprint pages will not be ready in time for despatch on the planned day. However, every effort is being made to meet the printer's deadline. In any case, the COMPILE system will apply the correct rate.

Further details on the tariff implications of this change may be gained by contacting either Ian McDonald (06 275 6503) or Ray Banvill (06 275 6516).

F. I. Kelly
Comptroller-General
CANBERRA ACT 2601
10 June 1993

(Tariff Legislation - C93/2124)

ATTACHMENT "A" TO ACN 93/95

THOSE COUNTRIES AND PLACES WHICH WILL RETAIN THE DEVELOPING COUNTRY MARGIN OF PREFERENCE AFTER 1 JULY 1993

AFGHANISTAN
BANGLADESH
BENIN
BOTSWANA
BHUTAN
BURKINA FASO
BURUNDI
CAMBODIA
CAPE VERDE ISLANDS
CENTRAL AFRICAN REPUBLIC
CHAD
COMOROS
DJIBOUTI
EQUATORIAL GUINEA
ETHIOPIA
GAMBIA
GUINEA
GUINEA-BISSAU
HAITI
LAO, PEOPLE'S DEMOCRATIC REPUBLIC
LESOTHO
LIBERIA
MALAWI
MALDIVES
MALI
MAURITANIA
MOZAMBIQUE
MYANMAR, UNION OF
NAMIBIA
NEPAL
NIGER
RWANDA
SAO TOME AND PRINCIPE
SIERRA LEONE
SOMALIA
SUDAN
TANZANIA, UNTIED REPUBLIC OF
TOGO
UGANDA
YEMEN, REPUBLIC OF
ZAIRE
ZAMBIA

THOSE PLACES WHICH RETAIN THE DEVELOPING COUNTRY MARGIN OF PREFERENCE

AMERICAN SAMOA
FRENCH POLYNESIA
GUAM
MARIANA ISLANDS
NEW CALEDONIA
PALAU
PITCAIRN ISLAND
TOKELAU ISLANDS
WALLIS AND FUTUNA ISLANDS

ATTACHMENT "B" TO ACN 93/95

COUNTRIES NOT RETAINING THE DEVELOPING COUNTRY MARGIN OF PREFERENCE AFTER 1 JULY 1993

ALBANIA
ALGERIA
ANGOLA
ANTIGUA AND BARBUDA
ARGENTINA
BAHAMAS
BARBADOS
BAHRAIN
BELIZE
BOLIVIA
BOSNIA AND HERZEGOVINA
BRAZIL
BRUNEI DARUSSALAM
BULGARIA
CAMEROON
CHILE
CHINA, PEOPLE'S REPUBLIC OF
COLOMBIA
CONGO
COSTA RICA
COTE D'IVOIRE
CROATIA
CUBA
CYPRUS
CZECH REPUBLIC
DOMINICA
DOMINICAN REPUBLIC
ECUADOR
EGYPT
EL SALVADOR
GABON
GHANA
GRENADA
GUATEMALA
GUYANA
HONDURAS
HUNGARY
INDIA
INDONESIA
IRAN
IRAQ
ISRAEL
JAMAICA
JORDAN
KENYA
KOREA, DEMOCRATIC PEOPLE'S REPUBLIC OF
KUWAIT
LEBANON
LIBYAN ARAB JAMAHIRIYA
MADAGASCAR
MALAYSIA
MALTA
MAURITIUS
MEXICO
MONGOLIA
MOROCCO
NICARAGUA
NIGERIA
OMAN
PAKISTAN
PANAMA
PARAGUAY
PERU
PHILIPPINES
POLAND
QATAR
ROMANIA
ST CHRISTOPHER AND NEVIS
ST LUCIA
ST VINCENT AND THE GRENADINES
SAUDI ARABIA
SENEGAL
SEYCHELLES
SLOVAK REPUBLIC
SLOVENIA
SRI LANKA
SURINAME
SWAZILAND
SYRIAN ARAB REPUBLIC
THAILAND
TRINIDAD AND TOBAGO
TUNISIA
TURKEY
UNITED ARAB EMIRATES
(ABU DHABI, DUBAI, SHARJAH, AJMAN, UMM AL QAIWAIN, FUJAIRAH, RAS AL KHAIMAH)
URUGUAY
VENEZUELA
VIETNAM, SOCIALIST REPUBLIC OF
ZIMBABWE

ATTACHMENT "B" continued

PLACES NOT RETAINING THE DEVELOPING COUNTRY MARGIN OF PREFERENCE AFTER 1 JULY 1993

ANGUILLA
BERMUDA
BRITISH INDIAN OCEAN TERRITORY
BRITISH VIRGIN ISLANDS
CAYMAN ISLANDS
FALKLAND ISLANDS AND DEPENDENCIES
FORMER YUGOSLAV REPUBLIC OF MACEDONIA
GIBRALTAR
JOHNSTON ISLAND
MACAO
MIDWAY ISLANDS
MONTSERRAT
NETHERLANDS ANTILLES
ST HELENA
ST PIERRE AND MIQUELON
TURKS AND CAICOS ISLANDS
VIRGIN ISLANDS OF THE UNITED STATES
WAKE ISLAND